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FISCAL IMPACT STATEMENT

LS 6011

BILL NUMBER: SB 170

NOTE PREPARED: Nov 4, 2003

BILL AMENDED:

SUBJECT: Property Tax Appeals.

FIRST AUTHOR: Sen. Mrvan

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill provides that if the county auditor determines in an appeal of a property assessment that the assessed value (AV) of the items appealed constitutes at least 1% of a taxing unit's total AV for the preceding year (1) the county auditor must provide certain notices to the affected taxing unit; and (2) the affected taxing unit may participate in the appeal process.

Effective Date: July 1, 2004.

Explanation of State Expenditures: *Notifications by the Indiana Board of Tax Review:* Under current law, the Indiana Board of Tax Review (IBTR) must mail a notice of an IBTR hearing to the taxpayer, the Department of Local Government Finance (DLGF), township assessor, county assessor, and county auditor. The notice must include the date of the hearing. This bill requires that the notice also include the disputed item's previous year's AV, the action taken by the DLGF, and a statement that a taxing unit in which the appealed AV constitutes at least 1% of the unit's gross certified AV from the preceding year may attend the hearing. In addition, the IBTR must include a copy of the petition requesting review in the mailings and send notice of its final determination to the affected taxing units. This proposal will increase notice preparation and mailing costs by a minimal amount. The IBTR should be able to absorb any additional administrative costs given its current budget.

Explanation of State Revenues:

Explanation of Local Expenditures: *Notifications by County Assessors and County Auditors:* Currently, the county assessor notifies the county auditor of all assessments under appeal. Under this proposal, the assessor must notify the county auditor by mail and include the appellant's name, address, current year AV,

and prior year AV. This bill also requires that if the county auditor determines that the AV of the appealed items constitutes at least 1% of the total gross certified AV of a particular taxing unit for the assessment date immediately preceding the assessment date for which the appeal was filed, the county auditor must send a copy of the notice to the affected taxing unit. The county auditor must compile a list of all units that are notified and forward the list to the county assessor.

Preparation and mailing of notices will increase county assessor and county auditor costs. County auditor and county assessor offices are funded through the county General Fund.

Notifications by County Property Tax Assessment Boards of Appeals and County Auditors: Under current law, the county property tax assessment board must give notice of the hearing date to the petitioner and the township assessor. Under the proposal, the board must also give notice to the county assessor and the county auditor. The notice must include the AV of the appealed item for the current year and for the preceding year and a statement that the affected taxing unit may attend if the county auditor determines that the AV of the items constitutes at least 1% of the total gross certified AV of the taxing unit. The county auditor must compile a list of all units that are notified and forward the list to the county assessor and the county property tax assessment board of appeals.

Under current law, the board must give notice of its determination to the petitioner, the township assessor, and the county assessor. Under the proposal, the board must also notify the county auditor, and any taxing unit that the county auditor determines that the AV constitutes at least 1% of total gross certified AV of the taxing unit.

The proposal also makes the county assessor responsible for transmitting a petition for review to the Indiana Board of Review not later than 10 days after the petition is filed.

Preparation and mailing of these notices will increase county property tax assessment board of appeals costs and county auditor costs by an indeterminable amount.

Appeals to the Indiana Tax Court by Affected Units: The proposal allows an affected taxing unit to request that the county executive initiate an appeal. The bill requires an affected taxing unit that requests an appeal to the Tax Court to pay for the appeal. This provision could increase the number of appeals to the Tax Court that are initiated by the counties. Appeals initiated by local units will increase local costs.

Explanation of Local Revenues:

State Agencies Affected: Indiana Board of Tax Review and the Department of Local Government Finance.

Local Agencies Affected: County assessors; County auditors; County property tax assessment boards of appeals.

Information Sources:

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